UNITED STATES PATENT AND TRADEMARK OFFICE

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/625,832	07/26/2000	Denis Khoo	40015980-004	8318

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EXAMINER
LE, KHANH H

ART UNIT	PAPER NUMBER
3622	

DATE MAILED: 05/10/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

PTO-90C (Rev. 10/03)

	Application No.	**Applicant(s)**
Office Action Summary	09/625,832	KHOO ET AL.1
	Examiner	**Art Unit**	
	Khanh H. Le	3622	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE <u>3</u> MONTH(S) FROM
THE MAILING DATE OF THIS COMMUNICATION.
- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
  Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☐ Responsive to communication(s) filed on *Jan 12, 2005*.

2a)☒ This action is **FINAL**.   2b)☐ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *37-109* is/are pending in the application.

    4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☒ Claim(s) *52,53,74,79,80,105 and 106* is/are allowed.

6)☒ Claim(s) *37-51,54-73,75-78,81-104 and 107-109* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

    Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

    Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

    a)☐ All   b)☐ Some * c)☐ None of:

      1.☐ Certified copies of the priority documents have been received.

      2.☐ Certified copies of the priority documents have been received in Application No. _____.

      3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

    * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1)☐ Notice of References Cited (PTO-892)

2)☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)

3)☒ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) Paper No(s)/Mail Date *3/30/04*.

4)☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____.

5)☐ Notice of Informal Patent Application (PTO-152)

6)☐ Other: _____.

Final to RCE

1.   This is in response to the Amendment and Response dated Jan. 12, 2005.

Claims 37-106 were pending with claims 37, 54, 63,77, 81, 95, 99 and 103 are

independent. New independent claims 107-109 are added.

Claim Rejections - 35 USC § 112

2. Previous rejections as to Claim 99 : withdrawn

Claim Rejections - 35 USC § 101

3.   Previous rejections as to claims 77, 81, 95 and all their dependents : withdrawn. .

Allowable Subject Matter

4.   Claims 52, 74, 79 105, 53, 80, and 106 are allowable.

5.   As allowable subject matter has been indicated, applicant's reply must either

comply with all formal requirements or specifically traverse each requirement not complied with.

See 37 CFR 1.111(b) and MPEP § 707.07(a).

6.   The following is a statement of reasons for the indication of allowable subject

matter: The following phrases in bold in the claims below show the limitations not anticipated

by the prior art or rendered obvious by any combination thereof .

Claim 79.(dependent on claim 77)

" wherein said calculating the estimated price comprises:

determining an overall desirability for each of the target users;

calculating an individual price for delivering the advertisement to each target user based on the overall desirability of the target user and a delivery schedule for delivering the advertisement to the target user; and

calculating the estimated price for delivering the advertisement to the one or more target users based on the calculated individual prices, wherein

the overall desirability is determined based on both the perspective of the content distributor who is to deliver the advertisement to the target users and the perspective of an advertiser who desires to deliver the advertisement to target users who satisfy the one or more constraints."

Claim 80.   (dependent on claim 79)

wherein said determining an overall desirability of a target user comprises:

accessing an index value associated with the target user with respect to each of the constraints, wherein the index value indicates the desirability of the target user with respect to the constraint from the content distributor's perspective;

retrieving a coefficient value, specified by the advertiser, with respect to each of the constraints, wherein the coefficient value indicates the desirability of the constraint from the advertiser's perspective; and

computing the overall desirability for the target user based on the index value and the coefficient value associated with the target user with respect to each of the constraints.

Claims 52, 74, 105, substantially parallel claim 79 and claims 53, 106 substantially parallel claim 80 and thus are allowable on the same basis.

7.   Response to Remarks

1) At page 18, 2nd full paragraph, Applicants essentially argue that Luke teaches that constraints are related to the product only. And, the argument seems to go, since the product,

which in the instant case is an ad, is characterized by physical attributes, the "desired
characteristics of the target users or audience" cannot be the product attributes that would have
been disclosed by the system of Luke. This is unpersuasive. Luke teaches a product or service
to be defined by any number of "dimensions" (see at least col. 7 lines 1-12). It is clear from the
prior art earlier cited, e.g. Dedrick, US 5724521, (at col. 5 lines 20-52) as well as from Herz, US
6571279, (e.g. at col. 8 lines 66- col. 9 line 5), that a targeted ad is defined by its intended
audience or target user profile. In other words, the audience of the targeted ad is a
"characteristic" of the ad product, no less than its physical attributes or "how long it has to be
shown". Thus , contrary to argument, the "desired characteristics of the target users or audience"
can be defined as a dimension of the ad product, just as any other desired dimension , such as
price, delivery time, etc.. taught by Luke. Nothing in Luke precludes such definition of a
dimension, especially when Luke deals with complex product configurations thus more complex
definitions of a dimension or dimensions are expected. Nothing in Luke requires product
dimensions to be only physical attributes or delivery time as Applicants seem to argue.

2) As to the argument starting at end of page 18, that Luke involves negotiations and the
instant application involves a non-negotiable price set by one of the parties, and thus Luke
cannot be properly be applied in the instant case, Applicants are reminded that they had argued
in a prior Response that their invention involves negotiations. See Applicants' Response dated
3/30/2004 at page 20. Therefore this argument is unpersuasive.

3) As to the argument at page 19, that Luke involves negotiations and bargaining and that
applying Luke to the instant case of a non-negotiable price would destroy Luke, this argument is
unpersuasive as well as because Luke discloses requests for quotes (see at least col. 5 lines 61-
62) as well perfect matches. This means that Luke implicitly encompasses asking for a price
quote, proffer of a quote and acceptance of the quote, as essentially claimed.

35 U.S.C. 103

8.   **The text of those sections of Title 35, U.S. Code not included in this action
can be found in a prior Office action.**

9.   **Claims 37-51, 54-73, 75-78, 81-104, 107-109 are rejected under 35 U.S.C.
103(a) as being unpatentable over Luke US 6131087, in view of Herz et al., US 6571279,
herein Herz.**

Luke discloses a system for request of quotes based on complex product configurations,
including buyers sending in product constraints, buyers sending request for quotes (RFQ's),
matching of buyers constraints to product configurations availability , sending of quotes in
response to the request (offers) , negotiations, acceptance of the offer, over a network .

Thus, as to claims 37, 54, 63, 77, 73, 81, 94, 95, 99 and 103:
Luke discloses methods, system, apparatus, components for
receiving one or more constraints related to a desired product/service
over a network, wherein the one or more constraints define desired characteristics of the desired
product/service,
determining an estimated price, based on the degree of match of the constraints (see at least Figs.
2C, 2D and associated text), and
sending the estimated price over the network ((see at least abstract, Figs. 1, 2, 2A, 3 and
associated text).

Luke does not specifically disclose negotiations between advertisers and broadcasters of
content as claimed.

But Herz discloses methods, system, apparatus, components for arranging advertising,
comprising:

receiving one or more constraints related to an advertisement

by a content distributor wherein the one or more constraints define desired characteristics of one

or more target users to whom the advertisement is to be delivered;

determining an estimated price, by or on behalf of the content distributor but not by an

advertiser, based on the selection of the one or more target users to whom the advertisement is to

be delivered, wherein the one or more target users are selected, by or on behalf of the content

distributor, to meet each of the one or more constraints; and

sending the estimated price. (see at least col. 11 lines 10-60).

It would have been obvious to one skilled in the art at the time the invention was made to

add HERZ's teachings above to Luke to allow negotiations of ad spots over the network, as

Luke teaches matching/ negotiations/ buying /selling of any complex products/ services.

As to claims 38, 60, 88, HERZ discloses broadcasters are involved (see at least abstract,

col. 11 lines 10-60).

As to claims 39, 40, HERZ discloses the constraints are received from advertisers (see at

least col. 11 lines 10-60).

As to claims 42, HERZ discloses the ads are delivered with the content (see at least col.

11 lines 10-60).

As to claims 51, 59, Luke discloses searching /matching constraints, and HERZ discloses

searching /matching profiles and the price is based on the identified users (see at least col. 11

lines 10-60).

Indeed, Herz teaches a price is computed for an ad spot , given a set of users that match

the advertiser-specified constraints that the content provider can provide to view that ad . This

price is based on the demand, from the point of view of the advertiser, for each of the number of

target users, based on each constraints such as demographics constraints (see at least col. 11 lines

40-54) . This price is also based on the number of users. (see at least col. 11 line 47 "user

count"). HERZ also discloses one of the constraints is the delivery time of the ad. (see at least col.11 lines 54-60 : "for any given period").

HERZ further teaches content providers using algorithms to maximize revenues derived from advertisers (see at least col.11 line 54-60; Figure 3, item 307).
One such algorithm·provides that the advertiser bidding the highest for a particular ad spot gets it.

It would have been obvious to one skilled in the art at the time the invention was made to add the above Herz's teaching to Luke to provide a rational way to compute the ad spot price as taught by Herz.

As to claims 62 , Luke discloses the constraints are given before the estimated price is received (see at least Fig. 3 and associated text). HERZ impliedly discloses same (see at least col. 11 lines 10-60). .

As to claims 41, 64, 65,66-67, 93 Luke discloses
receiving the constraints, sending a price (a quote) , receiving the order and after receiving the order , delivering the goods. HERZ impliedly discloses the same, for ads (see at least col. 11 lines 10-60).

As to claims 89, 91 (dependent on claim 89) Luke/ HERZ discloses constraints are received from the (advertiser) client.

As to claims 101, 102,
Luke discloses up offers based on matches, up to perfect matches with price being one parameter among others (see at least abstract) thus it is interpreted the price is based on the degree of match. Further, Herz teaches a price is computed for an ad spot , given a set of users that match the advertiser-specified constraints that the content provider can provide to view that ad . This price is based on the demand, from the point of view of the advertiser, for each of the number of target users, based on each constraints such as demographics constraints (see at least

col. 11 lines 40-54) . Thus LUKE/ HERZ discloses advertisers give constraints and the price is based on the degree of match of the constraints.

     As to claims 43, 56, 69, and 83 , Official Notice is taken that it is well-known to insert targeted ads into content for delivery (e.g. see Dedrich cited in previous Office Actions) Thus the advertisement is delivered during an advertising period when transmitting the content would have been obvious to add to the LUKE/HERZ system to achieve delivery of ads with content.

     As to claims 44, 57, 70, 84 and 45, 50, 55, 68, 78, 82, 96, 100 , 104 and <u>46</u>, 58, 71, 76 , 85 (dependent on claim 43, and its parallels)
HERZ discloses the advertising period is allocated based on one or more delivery parameters. wherein the one or more delivery parameters are specified in the one or more delivery constraints and wherein the advertising period is allocated with respect to the content to be delivered to each of the target users. (see at least col. 11 lines 54-60).

     As to claims 47, 61, 72, 86, (dependent on claims 43, and its parallels) and claim 98 (dependent on claim 97), Official Notice is taken that ads embedded in content are well-known. It would have been obvious to one skilled in the art at the time the invention was made to add content embedded ads into the system of Luke/HERZ to add another form of ad/content mix for variety.

     As to claims 66, 48, 87, 92 (dependent on claim 87 and its parallels), HERZ discloses geographic constraints see at least col. 11 lines 10-60).

     As to claim 49, HERZ discloses the constraints are gender constraints (see at least col. 11 lines 10-60).

     As to claim 97 (dependent on claim 95) HERZ discloses ad price is price of many users (see at least col. 11 line47 ; user count)

As to claim 107, the claimed "a bidding process" is interpreted as a bidding process wherein the highest bidder wins. However Herz discloses "determining the ad price .. in a manner that does not involve a bidding process" as well (see at least col. 11 lines 57-58 : "any other selection algorithm it wishes to employ..") . Motivation to combine Herz has been addressed above.

As to claim 108, Luke does not specifically disclose the matching server is controlled by one of the parties (sellers or buyers), thereby teaching a non-intermediary system. However it is obvious Luke encompasses a simpler system of one seller when only one seller is interested to register. Further it is obvious the one seller may control Luke's matching system, thereby negating any intermediary.   It is obvious to make integral what was separate when no technical hurdles are overcome. See *In re Larson*, 144 USPQ 347, 349; 339 US 965 (CCPA 1965); *In re Wolfe*, 116 USPQ 443, 444; 251 F2d 854 (CCPA 1958).

In this case, there does not seem to be any impact on the manipulative steps of the Luke method because of the "type" of company (intermediary or not) doing the actions. Thus, the name, legal status or ownership of the entity performing the action does not seem to functionally change the action required by the step.

As to claim 109. (New)

A method for arranging advertising, comprising:

receiving one or more constraints related to an advertisement by a content distributor over a network, wherein the one or more constraints define desired characteristics of one or more target users to whom the advertisement is to be delivered;

determining an estimated price for delivery of the advertisement by summing up the price of delivering the content to each target user, by or on behalf of the content distributor but not by an advertiser, based on the selection of the one or more target user to whom the advertisement is to be delivered, whether the one or more target users are selected by or on behalf of the content distributor, to meet each of the one or more constraints; and

sending the estimated price over the network.

Luke discloses searching /matching constraints, and HERZ discloses searching /matching profiles and the price is based on the identified users (see at least col. 11 lines 10-60).

In Herz, as discussed above, a price is computed for an ad spot , given a set of users that match the advertiser-specified constraints that the content provider can provide to view that ad . This price is based on the demand, for each of the number of target users, based on each constraints such as demographics constraints (see at least col. 11 lines 40-54) . This price is also based on the number of users. (see at least col. 11 line 47 "user count").

HERZ further teaches content providers using algorithms to maximize revenues derived from advertisers (see at least col.11 line 54-60; Figure 3, item 307).

Herz does not specifically disclose determining an estimated price for the ad spot by summing up the price of delivering the content to·each target user, however Official Notice is taken that it is well-known to sum the cost of each unit which is part of a product or service to arrive at the total cost of the product or service. In the ad spot as a product context, it is obvious the cost of an ad spot is made of the cost of delivery to each user.

Since Herz teaches an ad spot price is based on the number of users, it would have been obvious to one skilled in the art at the time the invention was made to determine an estimated price for the ad spot by summing up the price of delivering the content to each target user, as claimed, because such summing (as an well known calculation method as discussed above) would maximize revenues derived from advertisers as taught by Herz (at col.11 line 54-60; Figure 3, item 307). (As to the rationale for adding Herz to Luke, it is the same as discussed above for the other independent claims.)

Conclusion

10.   Prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

11.   THIS ACTION IS MADE FINAL. Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

12.   Any inquiry concerning this communication or earlier communications from the examiner should be directed to Khanh H. Le whose telephone number is 571-272-6721. The Examiner works a part-time schedule and can normally be reached on Tuesday-Thursday 9:00-6:00.

If attempts to reach the Examiner by telephone are unsuccessful, the Examiner's supervisor, Eric Stamber can be reached on 571-272-6724. The fax phone numbers for the organization where this application or proceeding is assigned are 703-872-9326 for regular communications and 703-872-9327 for After Final communications.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-308-1113.

May 02, 2005

KHL
KHL

JAMES W. MYHRE
PRIMARY EXAMINER